



## **European Summer Symposium in Macroeconomics (ESSIM)**

**Hosted by the Bank of Israel, the Economics Departments of the Hebrew University of Jerusalem, Tel-Aviv University, Haifa University and Ben-Gurion University, the Research and Development Authority at the Hebrew University of Jerusalem, and the Minerva Centre for Macroeconomics and Growth**

**Ma'ale Hachamisha, 30 May – 2 June 2001**

### **Programme**

#### **Tuesday 29 May**

20.00 Dinner Reception at Ma'ale Hachamisha

#### **Wednesday 30 May**

09.00 – 09.30 Welcome Speech  
Karnit Flug (Bank of Israel)

#### **Monetary Policy Theory – Arava Hall**

09.30 – 10.30 **The Active Fiscal Passive Monetary Model of the Political Business Cycle**  
\*Allan Drazen (Eitan Berglas School of Economics, Tel Aviv University and CEPR)

Discussant: John Driffill (Birkbeck College, London, and CEPR)

10.30 – 11.00 Coffee

11.00 – 12.00 **Precommitment, Transparency and Monetary Policy**

\*Petra Geraats (University of Cambridge)

Discussant: Elhanan Helpman (Tel Aviv University and CEPR)

12.00 – 13.00 **The Role of Large Players in Currency Crises**  
Giancarlo Corsetti (Yale University, Università di Roma and CEPR)  
Paolo Pesenti (Federal Reserve Bank of New York)  
\*Nouriel Roubini (Stern School of Business, New York University and CEPR)

Discussant: Hélène Rey (Princeton University and CEPR)

13.00 – 14.00 Lunch

16.30 – 17.00	Coffee
17.00 – 18.00	<p><b>Lending Booms: Latin America and the World</b>  *Pierre-Olivier Gourinchas (Princeton University and CEPR)  Oscar Landerretche (Massachusetts Institute of Technology)  Rodrigo Valdés (Ministry of Finance, Chile)</p>
Discussant:	Richard Portes (London Business School and CEPR)
18.00 – 19.00	<p><b>International Portfolio Choice and Liquidity Constraints: Can Small Information Costs Explain the Home Equity Bias Puzzle?</b>  *Alexander Michaelides (University of Cyprus and CEPR)</p>
Discussant:	Paolo Vitale (London School of Economics and CEPR)

**Thursday 31 May**

09.30 – 10.45	<p><b>From Physical to Human Capital Accumulation: Inequality and the Process of Development</b>  Oded Galor (Hebrew University of Jerusalem, Brown University and CEPR)  *Omer Moav (Hebrew University of Jerusalem and CEPR)</p>
Discussant:	Ana Fernandes (CEMFI, Madrid)
10.30 – 11.00	Coffee
11.00 – 12.00	<p><b>Financial Globalization and Real Regionalization</b>  *Jonathan Heathcote (Duke University)  *Fabrizio Perri (Stern School of Business, New York University)</p>
Discussant:	Philippe Martin (CERAS, Paris and CEPR)
12.00 – 13.00	<p><b>Monetary Transmission in an Open Economy: The Differential Impact on Exporting and non-Exporting Firms</b>  Hedva Ber (Bank of Israel)  Asher Blass (Bank of Israel)  *Oved Yosha (Tel Aviv University and CEPR)</p>
Discussant:	Franck Portier (IDEI, Université des Sciences Sociales de Toulouse and CEPR)
13.00 – 14.00	Lunch
15.30 – 16.00	Coffee

16.00 – 17.00 **Asset Market Linkages in Crisis Periods**  
Casper de Vries (Erasmus Universiteit Rotterdam)  
\*Philipp Hartmann (European Central Bank and CEPR)  
Stefan Straetmans (Erasmus Universiteit Rotterdam)

Discussant: Sumru G Altug (University of York and CEPR)

17.00 – 18.00 **Structural Distortions and Decentralized Fiscal Policies in EMU**  
\*Roel Beetsma (Universiteit van Amsterdam and CEPR)  
A Lans Bovenberg (CentER, Tilburg University and CEPR)

Discussant: Dirk Niepelt (IIES, Stockholm University and Massachusetts Institute of Technology)

### **Friday 1 June**

09.30 – 10.30 **Crises and Liquidity: Evidence and Interpretation**  
Enrica Detragiache (International Monetary Fund)  
\*Antonio Spilimbergo (International Monetary Fund)

Discussant: Gianluca Femminis (Università Cattolica del Sacro Cuore, Milan, and CEPR)

10.30 – 11.00 Coffee

11.00 – 12.00 **Wage Bargaining, the Value of Unemployment, and the Labor Share of Income**  
\*Eran Yashiv (University of Haifa and CEPR)

Discussant: Martin Floden, (Stockholm School of Economics and CEPR)

12.00 – 13.00 **Forecasting Output and Inflation: The Role of Asset Prices**  
James Stock (Harvard University)  
\*Mark Watson (Princeton University)

Discussant: Lucrezia Reichlin (ECARES, Université Libre de Bruxelles and CEPR)

13.00 – 14.00 Lunch

15.30 – 16.00 Coffee

16.00 – 17.00 **Monetary Policy Rules and the Exchange Rate**  
\*Gianluca Benigno (Bank of England)  
Pierpaolo Benigno (New York University)

Discussant: Jonathan Heathcote (Duke University)

17.00 – 18.00

**Incomplete Pass-Through and the Welfare Effects  
of Exchange Rate Variability**

\*Alan Sutherland (University of St Andrews and CEPR)

Discussant:

Jordi Gali (CREI, Universitat Pompeu Fabra,  
Barcelona, and CEPR)

**Saturday 2 June**

Organized Local Trip

\*Denotes presenter

Organizers:

Jordi Galí (CREI, Universitat Pompeu Fabra,  
Barcelona, and CEPR)

Lucrezia Reichlin (ECARES, Université Libre de  
Bruxelles and CEPR)

Charles Wyplosz (Graduate Institute of International  
Studies, Geneva, and CEPR)